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South Yemen Under Hasani: Cautious Pragmatism

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An Intelligence Assessment

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*NESA 84-10146
April 1984*

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South Yemen Under Hasani: Cautious Pragmatism

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An Intelligence Assessment

This paper was prepared by [redacted] Office
of Near Eastern and South Asian Analysis. It was
coordinated with the Directorate of Operations.
Comments are welcome and may be directed to Chief,
Persian Gulf Division, NESA, [redacted]

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South Yemen Under Hasani: Cautious Pragmatism

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Key Judgments

*Information available
as of 20 March 1984
was used in this report.*

Since coming to power in 1980, South Yemen's President Hasani has consolidated his domestic political position and balanced South Yemen's ties to the USSR by improving relations with moderate Arab and West European states. Hasani has significantly moderated South Yemen's foreign policy by curtailing support for insurgent groups in Oman and North Yemen and by putting distance between himself and Libya.

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Aden's foreign policy shift mainly results from its need for economic aid. We judge that it does not represent a falling out with the Soviet Union, its traditional ally.

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South Yemen is one of the world's poorest countries, and the economy has benefited very little from a decade of dependence on Moscow. As a result, Aden is turning to Arab oil states for substantial financial aid and is increasing its trade with the West.

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Hasani's foreign policy initiatives and his championing of economic development have been the chief issues in a power struggle within the ruling Yemeni Socialist Party. Hasani is winning this struggle. The greatest danger to his power would be an intrigue supported by the Soviets. The USSR and its allies are the sole suppliers of weaponry and military advisers to South Yemen and have considerable influence within Aden's party and military establishment.

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In addition, as long as Hasani maintains good relations with Moscow and does not sharply restrict Moscow's access to South Yemen's ports and airbases, we believe Moscow will tolerate South Yemen's improving ties with the West and moderate Arabs. Unless Hasani seriously threatens Soviet influence, Moscow's preference for political stability in South Yemen suggests it will not back Hasani's opponents, whose political position appears to be eroding.

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Hasani will remain on top in Aden's endemic political infighting, in our view, and will further consolidate support for his pragmatic foreign policy. He has a more extensive power base and is a more skilled political infighter than his rivals.

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Aden's ability to continue to improve relations with Saudi Arabia will be the acid test of Hasani's moderation and his goal of economic development. Without substantial Saudi aid, efforts to develop Aden's flagging economy probably will fail over the long term because no other country is likely to provide as much aid as Riyadh. We judge the Saudis will continue to doubt Aden's moderation and hesitate to provide much assistance in the next year or two until they are convinced Hasani's pragmatism is not just a ploy to obtain aid. [REDACTED]

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Hasani's opening to the West will be constrained by Aden's political isolation and the country's internal power struggle. We believe Hasani hesitates to risk political criticism from South Yemeni pro-Soviet hard-liners or to antagonize the Soviet Union by reestablishing relations with the United States. At present, there are only limited counterweights to Moscow's influence in South Yemen. [REDACTED]

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Still, Hasani's policy of improving relations with moderate Arabs benefits the United States by reducing the subversive threat from South Yemen to other states on the Arabian Peninsula. Hasani's continued consolidation of power and further warming of relations with Saudi Arabia and Western Europe—particularly if Aden obtains substantial aid—could allow him eventually to further loosen ties with the Soviets. [REDACTED]

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South Yemen Under Hasani: Cautious Pragmatism

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Ali Nasir Muhammad al-Hasani, who ousted President Ismail in 1980, is the first South Yemeni leader to be president, prime minister, and party general secretary at the same time, and he has accomplished "apparently impossible changes," according to Western diplomats in Aden. South Yemen has cut off military aid to the leftist insurgents of North Yemen's National Democratic Front and the Popular Front for the Liberation of Oman and has improved relations with moderate Arab states and the West. Aden's policy shift reflects a need for financial and technical aid to promote economic development.

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Hasani believes there will be considerable economic gains if South Yemen can improve relations with its neighbors.

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Hasani's Consolidation of Power

Hasani has combined deft political maneuvers and selective violence to consolidate power, moving against Ismail supporters in a measured but relentless manner. He has replaced former members of Ismail's National Front guerrilla organization and leftwing opportunists by promoting Hasani supporters to the Politburo and other key positions.

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We judge that Hasani's opponents have their strongest backing in the military, but Hasani counters them through his supporters—particularly his fellow Dathinah tribesmen—in the party and government apparatus, in the security service, and in key military commands.

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Hasani must manage a complex political balance in the South Yemeni Politburo.

We believe Hasani holds the decisive

¹ Although the United States has no diplomatic presence in Aden, there is considerable diplomatic reporting on South Yemen provided by friendly countries.

we believe that we understand the relative strengths of political factions in Aden and the means by which President Hasani has consolidated power, especially his use of Aden's security service, and that we are generally well informed about political developments in South Yemen. There are significant gaps in our information, however, about Aden's economy and the extent to which the Soviet Union has penetrated South Yemen's Government.

vote on controversial issues, based on reporting from Western diplomats, and that his rivals cannot muster enough support on the Politburo to foil his policies.

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The weak link in Hasani's chain of support is his reliance on Politburo member Abu Bakr Ba Dhib, a founder of the Yemeni Communist Party. If Ba Dhib tilted away from him, Hasani's position could be seriously weakened. We believe Ba Dhib has close links to Moscow and could be a useful instrument for Soviet influence.

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Tribalism in South Yemen

Factional loyalty based on tribal and regional ties continues to be important in South Yemeni politics. The British, during their 129 years in Aden, established a rudimentary state apparatus and a prosperous port that fostered a middle class that made inroads on tribal ways. When the Marxist regime seized power in 1967, it drove out the middle class and methodically eliminated tribal leaders. South Yemen became a haven for leftist North Yemenis who wished to unite the revolutions in both Yemens.

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After the revolution, party and military factions, whose loyalties were based on tribal/regional ties, supplanted the traditional tribal leaders in South Yemeni politics. Yemeni politicians regard tribal/regional balance in the top leadership of the party and military as a necessity. The main elements in the balance are the Dathinah tribe (from the Shabwah governorate), to which Hasani belongs; the Aulaqi tribe (from Ad Dali' in the Lahij governorate), to which many of his rivals belong; and the natives of the Wadi Hadhramawt, who generally support Hasani's moderate policies.

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The nationalist faction in the Yemeni Socialist Party (YSP), whose members are Hasani's strongest supporters, is ideologically flexible. It is committed to developing Aden's economy along generally socialist lines but also encourages some private enterprise. Foreign Minister 'Abd al-Aziz al-Dali and Politburo member and Central Committee Secretary for Foreign Affairs 'Abd al-Qadir 'Abd al-Ghani are technocrats who, despite support from the nationalist faction, have no real power base other than Hasani's support and their technical competence,

Western diplomats in Aden indicate that Finance Minister Mahmud Sa'id al-Madhi and Planning Minister Faraj ibn Ghanim also are members of this faction.

Former President Ismail, because he was seen as a North Yemeni, disrupted the regional/tribal balance of the South Yemeni leadership. As a result, his opponents could easily find allies who would work for his replacement. Even Ismail's followers, despite their professed Marxism, retained strong regional and tribal ties.

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occupied largely by Hasani's fellow Dathinah tribesmen. the Aden News Agency strongly suggest that Hasani wants more control over the military, and he has stepped up indoctrination and increased the number of party overseers in military units.

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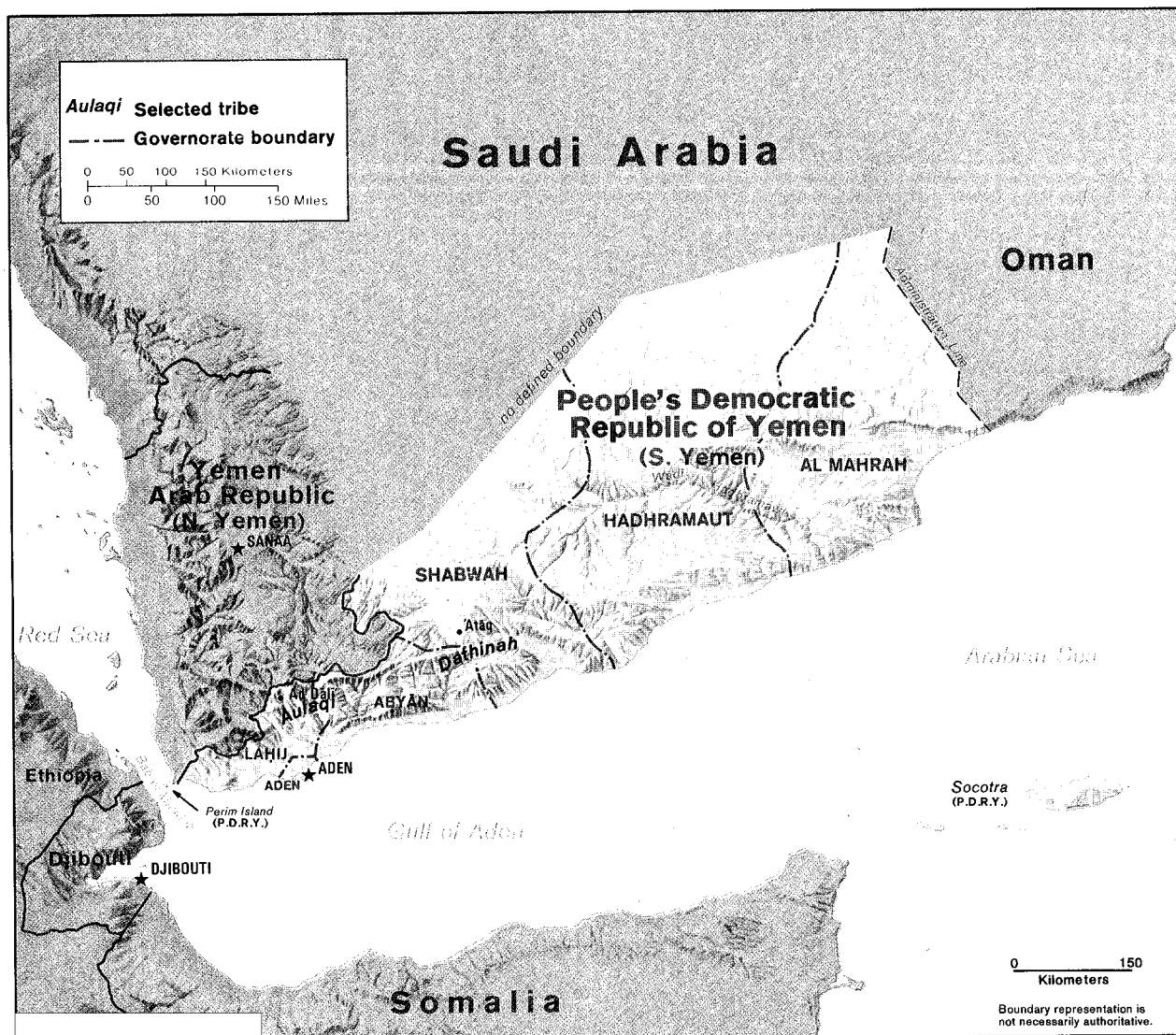
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Hasani and his military rivals fight continually over whose supporters will occupy key positions. We believe, however, that Hasani has insisted that military units near Aden—which would be critical during a coup—are loyal. These commands and other sensitive positions, such as in the State Security Service, are

We believe Hasani has attempted to increase his support within the *ulama*, the religious leaders who were snubbed by Ismail despite their substantial

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popularity. Despite South Yemen's attempts at socialist indoctrination, most South Yemenis look to Islam as their principal creed, according to Western diplomats in Aden. Hasani, unlike Ismail, recognizes the importance of Islam to most South Yemenis and seeks to use Islam and the clergy to legitimize his rule. Hasani was recently televised praying in a mosque, and the regime has agreed to put South Yemen's religious leaders on the government payroll in exchange for their political support [redacted]

[redacted] Hasani also agreed to clerical requests for more religious schools. [redacted]

The State Security Organization: Guarding the Party. Hasani relies heavily on the State Security Organization (SSO) to retain power. While he was Prime Minister, Hasani began cleaning house in the SSO in 1979 by working to replace security chief Sharjabi—an Ismail supporter—with Salih Munassar al-Siyayli in a precursor of the 1980 coup against Ismail. Sharjabi was virtually exiled by being appointed Ambassador to Hungary as punishment for plotting with Ismail against Hasani. [redacted]

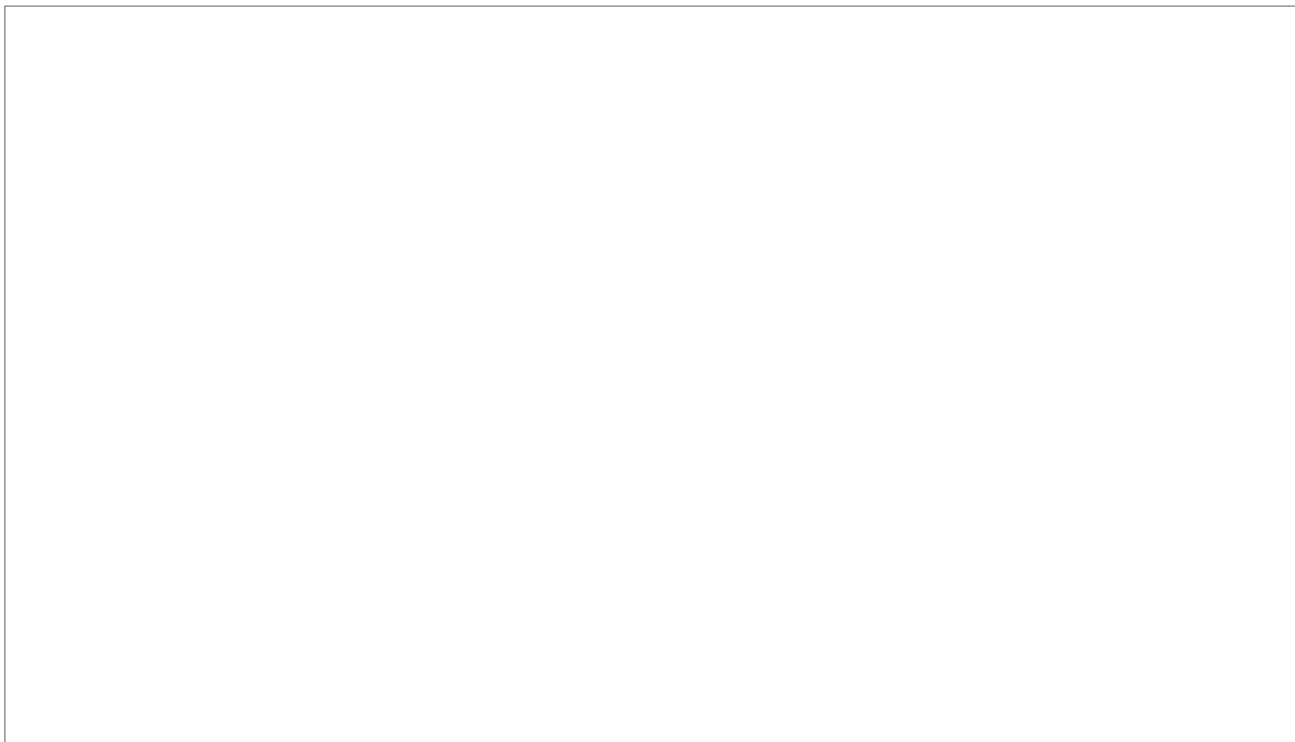
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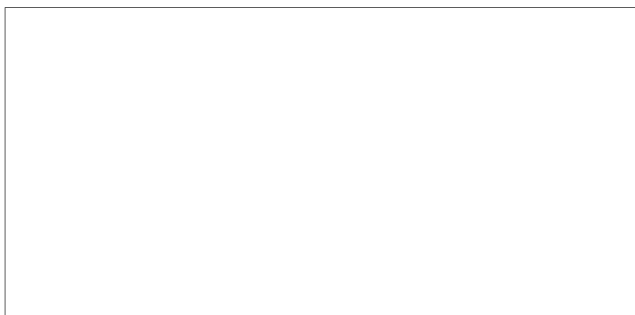
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Siyayli became a voting member of the Politburo after being appointed security chief

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Siyayli has risen rapidly in South Yemeni politics, in our judgment, because he serves as an alter ego to Hasani and because he represents the important Hadhramaut constituency in the Yemeni Socialist Party. Siyayli played an important role in Hasani's consolidation of power, and his position as security chief allows Hasani to control the internal security apparatus without becoming involved in day-to-day bureaucratic duties.

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Managing Party Infighting

Party Factions. Hasani has managed party infighting so far, but his political skills could be tested in possible showdowns with party factions. We believe Hasani's rivals realize that his nibbling at their support will eventually lead to their removal if it is not stopped soon. [REDACTED]

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The most dangerous opposition faction in South Yemeni politics, in our view, is the pro-Moscow remnant of Ismail's National Front because of its members' links to the USSR and their blood feud with Hasani. Although many National Front members have been killed or deposed, Ismail still haunts Hasani from his sanctuary in Moscow, as evidenced by Sharjabi's arrest. Ismail maintains strong links with his supporters in Aden through frequent visits by sympathetic South Yemeni officials to Moscow. [REDACTED]

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The opportunist faction, composed of men who have a history of shifting political allegiances—such as First Deputy Chairman of the Council of Ministers Ali Antar, Defense Minister Qasim, and their supporters from the Lahij governorate—is also potentially dangerous. Although this faction is strongly nationalistic, its leaders might offer the Soviets better terms than Hasani in exchange for Moscow's political support. Many of its members are military officers who have access to Soviet advisers, and both Qasim and Antar played key roles in the coups in 1978 and 1980. Although Antar probably does not seek to confront Hasani directly, we believe this faction is working behind the scenes to weaken Hasani. [REDACTED]

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We judge that Qasim, who is not as strong a personality as Antar, also will avoid a direct confrontation with Hasani. [REDACTED]

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We believe the opportunists and Ismail supporters have allied to prevent further erosion of their position by Hasani. [REDACTED]

and skills. Hasani was careful, in our judgment, to publicly associate the top party leadership with his position on improved relations with Oman. [REDACTED]

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[REDACTED] Hasani limits conflict by building party consensus on issues under consideration while minimizing disagreement. This leadership style also diffuses blame for failures throughout the party leadership, rather than focusing it on Hasani. [REDACTED]

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Shifting Personnel. Hasani has also combated his rivals by shuffling them to important sounding but largely meaningless jobs. He transferred Ali Antar from Defense Minister to Minister of Local Government and then to First Deputy Chairman of the Council of Ministers, a politically impotent position. We believe the largely ceremonial post allows Antar to meet with foreign delegations and preside at some state functions when Hasani is not available, without giving him a voice in Cabinet decisions. [REDACTED]

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Party Consensus. Party leadership under Hasani is more collegial than under Ismail, who, in our view, favored behind-the-scenes maneuvering, relying on his former guerrilla comrades for political support. We believe Hasani prefers to develop and consolidate party consensus and is unwilling to get too far ahead of party thinking. We agree with Western diplomats in Aden that Hasani's handling of the potentially divisive rapprochement with Oman, during which he gained Politburo and Central Committee support for his position, is typical of both his political methods

Hasani has occasionally moved less dangerous sympathizers of the men he deposed into their mentors' old jobs to reduce the backlash from his rivals. Hasani,

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for example, appointed Salim al-Bidh, an incompetent Antar supporter, as Antar's successor as Minister of Local Government. This practice, however, can create problems. After removing Antar, Hasani appointed Qasim as Defense Minister. Antar and Qasim have since united against Hasani. [REDACTED]

Hasani appointed Ali Abdallah Ulaywah—a Hasani loyalist—as Chief of Staff of South Yemen's armed forces and First Deputy Defense Minister. [REDACTED]

Exploiting Corruption and Military Arrogance.

Hasani may be preparing to use the corruption issue against his rivals. We believe corruption is common in South Yemen, despite party exhortations against it. [REDACTED]

[REDACTED] Despite widespread support for an anticorruption initiative, however, Hasani will probably enforce a cleanup selectively lest he alienate party members whose support he needs. [REDACTED]

The lawlessness of the South Yemeni military, we believe, is resented by the populace and many party members and could be exploited by Hasani against his rivals. [REDACTED] military officers have gratuitously abused civilians. The perceived arrogance of the military strengthens Hasani against Antar, Qasim, and their military supporters. [REDACTED]

Soviet Influence

Moscow appears unwilling to become deeply enmeshed in Aden's political infighting. We believe Moscow does not wish to risk its position in the country by committing itself to a particular faction. Direct involvement in Aden's political disputes may not be necessary, however, because we judge Moscow can influence South Yemeni politics through its extensive contacts in the government and party no matter which faction is in power. [REDACTED]

Soviet influence in the ruling Yemeni Socialist Party and the government is considerable. Party schools are staffed primarily by Soviet and East European instructors. [REDACTED]

South Yemeni students in almost all technical or economic fields are trained in the USSR and Eastern Europe or in Aden by nationals from these countries. In addition, roughly 450 Soviet advisers assist economic planning and work in construction or fishing. [REDACTED]

The USSR and Eastern Europe remain the sole suppliers of weaponry and military advisers to South Yemen. Moscow has provided about 500 military advisers and, in the last three years, supplied roughly \$500 million worth of arms, based on our analysis of arms deliveries. In addition, we estimate that about 400 Cubans train South Yemen's militia. [REDACTED]

Soviet Access to Facilities in South Yemen. Moscow maintains a modest military presence in South Yemen, which we estimate to be about 500 personnel in addition to its military advisers, and has access to military facilities in the country. [REDACTED]

The Soviet Navy uses Aden port and other South Yemeni facilities for resupplying ships, including nuclear submarines. Soviet vessels also use anchorages off Socotra Island to service the Indian Ocean Squadron and other ships. [REDACTED]

[REDACTED] The USSR and South Yemen occasionally hold [REDACTED]

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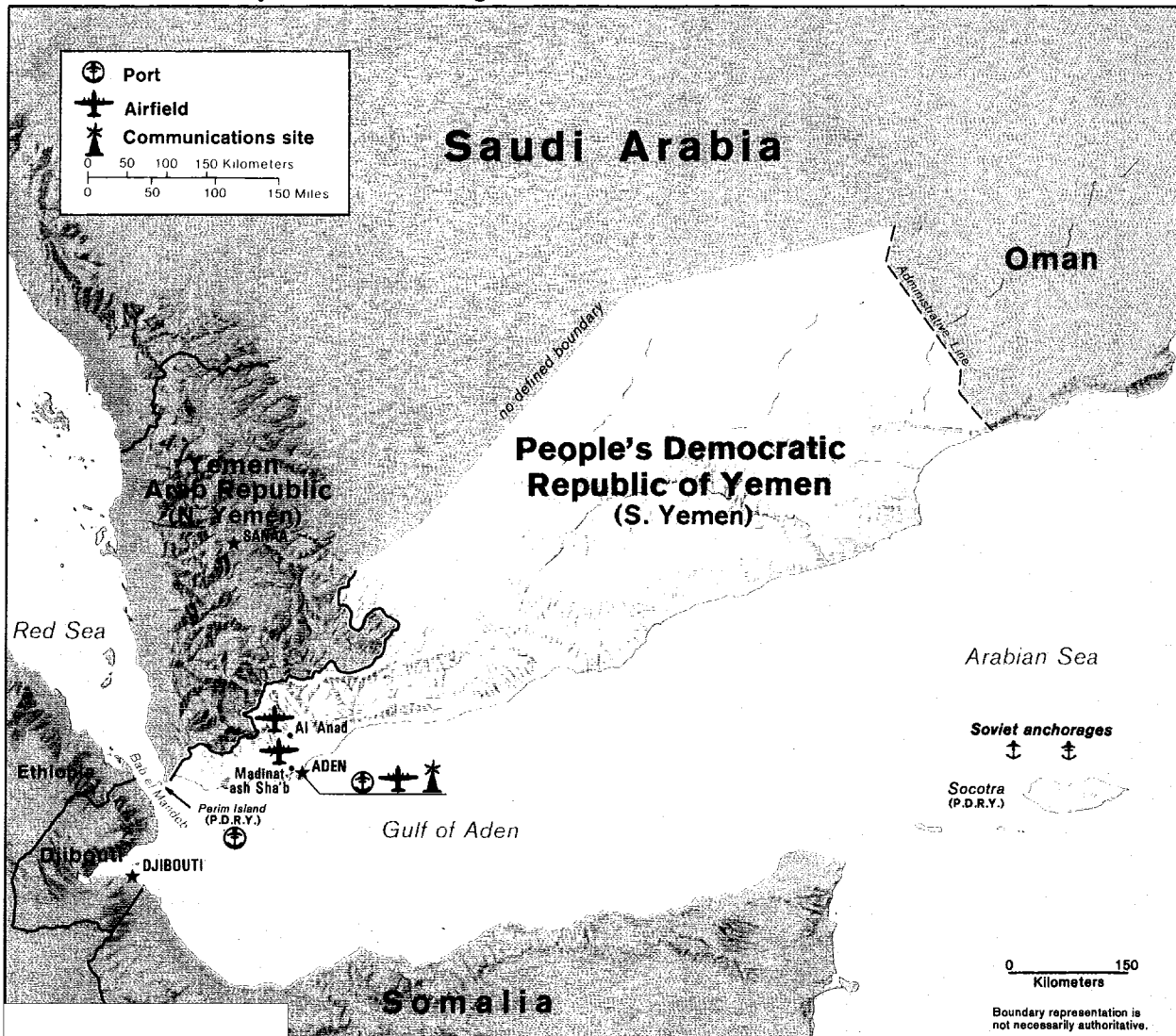
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South Yemeni Military Facilities Allowing Soviet Access



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joint naval exercises—the most recent in March 1983. The Soviets, however, have only a limited shore presence in the country and rely on their own support vessels and, less frequently, on South Yemeni port facilities for service.

The Soviet-funded extension of the main runway at Aden International Airport could allow long-range reconnaissance aircraft, such as the TU-95, to be stationed there. We doubt, however, that the runway extension presages the deployment of TU-95s to

Aden. Aden International is South Yemen's main civilian terminal, and Soviet aircraft staging there would be observed by travelers and civilians.

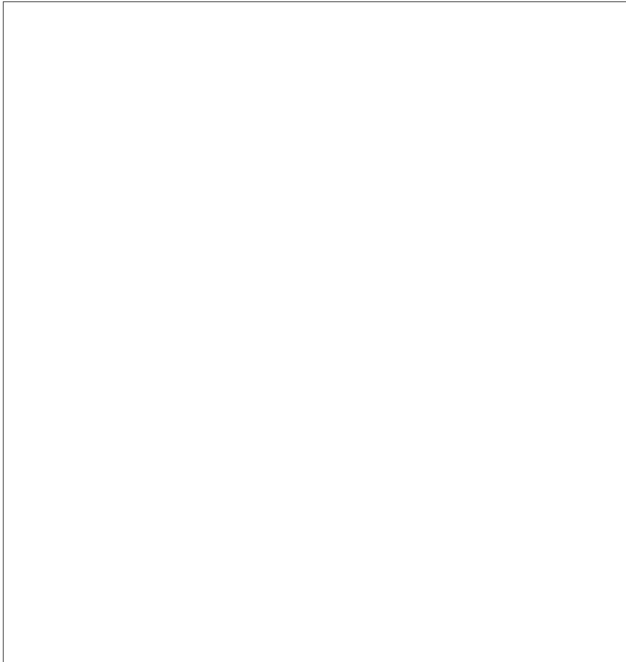
French modernization of Aden International's passenger terminal facilities and South Yemen's purchase of

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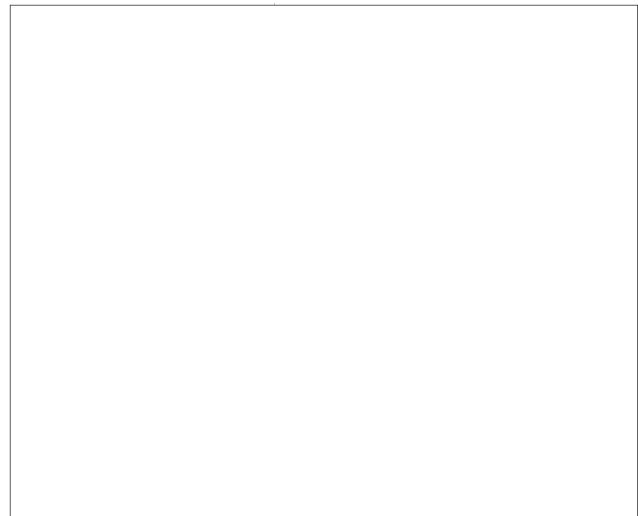
passenger aircraft from the United States suggest that South Yemen is extending the runway and upgrading airport facilities to improve their capability to handle passenger flights. We have not seen TU-95 aircraft in Aden. [redacted]



Hasani and the Economy. Hasani is well aware that concerns over the economy could threaten his power, since the coup that brought him to power was prompted partly by economic issues (see box). Hasani has implemented limited economic liberalization measures aimed at bolstering his popularity. He has made it easier for overseas workers to send funds home, and returning workers are allowed to use funds earned abroad to build residences. Returning workers also are encouraged to invest in small private businesses, and farmers may sell 40 percent of privately grown produce on the free market, according to Western diplomats. The government also is increasing the availability of consumer goods; new cars—once a rarity—have become more common in Aden, and shops have a larger offering of imported consumer goods for sale. [redacted]

The need for economic development has become Hasani's perennial theme. Hasani stressed development, for example, in an authoritative speech on the 20th anniversary of South Yemen's revolution. He

recently said that money spent to keep troops on South Yemen's borders could be better used for development. [redacted] As a native South Yemeni, Hasani is more sensitive to the poverty of his countrymen than was his predecessor Ismail, who was of North Yemeni origin. [redacted]



Foreign Policy

We judge that Hasani's moderate foreign policy aims at convincing his neighbors and the West that South Yemen is worthy of economic assistance. South Yemen's economy is so financially strapped that we judge that Hasani has no alternative to seeking Western and moderate Arab help. In addition, we believe that Hasani realizes that the USSR and Eastern Europe cannot or will not provide enough aid to salvage the economy. [redacted]

Courting the Arabs. Hasani has significantly improved relations with Arab states, and Aden's normalization of relations with Oman—its former adversary—is, in our judgment, the touchstone of Hasani's foreign policy. In October 1983 Oman and South Yemen agreed to exchange envoys and began negotiations to delineate their border. Since 1981 Hasani has stopped South Yemen's political and military support for the Popular Front for the Liberation of Oman. [redacted]

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South Yemen's Troubled Economy

Although severe limitations in the range and quality of data hamper analysis of Aden's economy, World Bank statistics suggest that the country's gross national product (GNP) has increased significantly since the mid-1970s in both absolute terms and on a per capita basis. Despite this growth South Yemen remains one of the world's poorest countries, with a per capita GNP of only around \$450. South Yemenis, moreover, have one of the world's lowest life expectancies at birth (45 years), and the country also ranks very low on most health and welfare indexes. []

Recent gains in GNP have resulted primarily from the inflow of remittances from South Yemenis working abroad and increased government spending, financed largely by grants and assistance from foreign donors. Domestic production remains buffeted by serious problems. A harsh, arid climate limits the land available for cultivation to about 1 percent, and the small domestic market and the paucity of raw materials limit the scope of industrial development. These problems are compounded by a rugged topography, which creates severe difficulties for internal communications and transportation. []

Stunted Agriculture and Fishing

Agriculture and fishing employ about 45 percent of the South Yemeni labor force but yield only 18 percent of the country's gross domestic product. Domestic production provides less than half of the country's basic food requirements, and a 1983 World Bank study argues that South Yemen should abandon its goal of agricultural self-sufficiency. []

According to the World Bank []

[] South Yemeni agriculture is organized along

Soviet lines, with 80 percent of agricultural production in the hands of state and collective farms, which are ill suited to South Yemen's scattered plots of productive land. The 1983 World Bank study, in addition, reports that South Yemeni agricultural cadres are more ideologically rigid and more committed to state farming methods than their counterparts in the USSR. []

[] Soviet aid perpetuates inefficiency by stressing large state farms, and the Agriculture Ministry provides soft jobs for party members. []

The emigration of unskilled workers to Saudi Arabia and Persian Gulf oil states has produced a domestic labor shortage. []

[] Production techniques have not been adequately mechanized to compensate for the labor shortage, further limiting output. []

South Yemen's important fishing industry is also stagnating. We believe improvement is unlikely because of resource depletion, despite several measures aimed at boosting output. A Western diplomat in Aden, moreover, reports that overfishing deep waters has created an "undersea desert." []

Deteriorating Industry

The country's limited industrial base—consisting of an oil refinery, food processing plants, and minor consumer goods facilities—is eroding. The oil refinery at Little Aden needs repairs, according to trade journals and Western diplomats in Aden. It operates at roughly half of its 170,000-barrels-per-day capacity because of disrepair and lack of markets, according to the same sources. The refinery depends on the

Hasani has cultivated better relations with Saudi Arabia, and Hasani's envoys have been well received in Riyadh. South Yemen's curtailing of support for regional insurgent groups and Hasani's recent accommodation with South Yemen's religious leaders probably were calculated to please the Saudis, in our view. []

[] Saudi Arabia had suspended aid to Aden after the 1978 coup. In October 1983 Saudi Arabia upgraded its diplomatic representation in Aden to ambassadorial status. []

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flow of Iranian crude to cover operating costs. Tehran sells the Aden facility crude oil and buys back various fuels and heating oil because the South Yemenis offer attractive terms and the refinery is convenient. South Yemen needs Iranian oil because no other producer refines oil at Aden in sufficient quantities to make operations profitable.

Industrial output often goes unsold because imported goods are cheaper and higher in quality. In addition, some plants have halted production because of the lack of raw materials, skilled labor, or spare parts.

Soviet-sponsored industrial construction projects have been largely unsuccessful, in our judgment. They are behind schedule and will face stiff competition from imports, according to Western diplomats in Aden. The diplomats report that a Soviet electrical power generation plant near Aden, for example, has been under construction for about six years and is still not completed, while a Japanese plant was completed in under two years.

Foreign Financial Difficulties

South Yemen's current account is in perpetual deficit. The fundamental weakness is the trade balance, with sales of petroleum products, fish, cotton, coffee, and a few other items offsetting only around 5 percent of the capital goods, immediate products, food, and consumer items that must be imported. Foodstuffs typically account for roughly 35 percent of imports. We estimate that LDCs and the West—primarily Japan and Great Britain—provide roughly 90 percent of South Yemen's imports; the USSR and Eastern Europe only about 10 percent.

North and South Yemen have significantly improved relations under Hasani. Recriminations between Aden and Sanaa dropped sharply in late 1982 when South Yemen sharply curtailed its military support for the National Democratic Front insurgents who sporadically waged guerrilla war against the Sanaa government. President Salih of North Yemen agreed in 1982 to the establishment of border checkpoints, a military

commission to prevent border clashes, and a political commission to promote closer relations between the two Yemens.

In August 1983 Hasani and Salih held a series of weeklong meetings in Sanaa and Ta'izz, North Yemen, to promote Yemeni "unity"—a concept to which both states pay considerable lipservice but which has no prospects for realization.

A similar reduction in tensions with other Arab states is also under way. Recent speeches by Hasani have stressed Arabism, occasionally even ranking it ahead of socialism, in our analysis. According to US Embassy officials in Egypt, South Yemen's state airline may be preparing to resume flights to Cairo.

Relations with Libya, on the other hand, have sharply worsened. South Yemeni delegations to Tripoli have been ill treated, and Libyan envoys to Aden have been given frosty receptions.

Aden's Tripartite Pact with Libya and Ethiopia appears moribund. The chill in relations with Tripoli and the cutoff of promised Libyan aid were major contributors to the pact's decline, as was Hasani's desire for a more moderate foreign policy, in our view. Relations with Ethiopia, however, remain cordial.

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Table 3
South Yemen's Current Account Balance, 1975-82

million US \$

	1975	1976	1977	1978	1979	1980	1981	1982 ^a
Current account balance	-88	-54	-81	-50	-30	-138	-127	-175
Trade balance	-170	-242	-341	-369	-391	-612	-735	-762
Exports	8	26	24	17	20	38	28	35
Imports	178	268	365	386	411	650	763	797
Net services, private and official transfers	82	188	260	319	361	474	608	587
Of which:								
Workers remittances	42	79	119	155	182	201	255	288

^a 1982 figures are estimates.

Opening to the West. Aden launched a successful diplomatic initiative in Western Europe during 1983 and obtained economic, educational, and technical assistance. The United Kingdom recently upgraded its diplomatic mission to ambassadorial status, and Aden is improving diplomatic relations with several other NATO countries—Italy, Iceland, Norway, and West Germany—according to press reports and Western diplomats in Aden. A French warship made a port call in Aden last July, the first in several years.

Hasani is seeking to visit Western Europe. []
[] Hasani will visit Paris this spring, his first trip to a Western state. The French Foreign Minister is scheduled to visit Aden. France has provided considerable aid, particularly by funding the modernization of the Aden International Airport passenger terminal and by offering scholarships for study in France. South Yemen also asked the British Foreign Ministry whether London would welcome a visit by Hasani, according to sources of the US Embassy in London. The British deferred, stating that since London had only recently upgraded its representation in Aden, a visit would be more appropriate after the relationship had developed further.

Relations With Moscow and Beijing. Relations with Moscow have fluctuated, but we do not believe that existing irritants substantially weaken South Yemen's

ties to the USSR. Hasani met with Soviet leader Andropov during a visit to the Soviet Union in October 1983. After Hasani's return from the USSR, there was a spate of Soviet and East European visitors to Aden, and South Yemeni press statements became more effusive in their praise of the Soviet Union. We view these developments as evidence that both Aden and Moscow have a strong interest in maintaining close ties.

There is some friction in the relationship.

Diplomatic sources in Aden report that Beijing's Ambassador in Aden estimates that Chinese economic assistance to South Yemen is greater than Soviet nonmilitary aid. The South Yemenis also resent Moscow's continuing hospitality for former President Ismail. There have been numerous reports of varying reliability of Ismail's efforts to assassinate or depose Hasani.

We judge that Hasani's failure to consult closely with Moscow about Aden's expanding ties with the West also was an irritant. []
the Soviets oppose Western economic development assistance to Aden, particularly oil exploration by Italian firms and the French modernization of Aden International Airport's civilian terminal.

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Figure 7. Chinese leader Hua Kuo Feng and Ali Nasir Muhammad al-Hasani during his visit to Beijing in 1978. [redacted]

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We believe Hasani is seeking improved relations with China to offset Soviet influence and to encourage continued Chinese development aid. Hasani's visit to Beijing in 1978 laid the groundwork for closer ties, in our view. [redacted]

[redacted] Beijing has granted South Yemen a moratorium on its roughly \$150 million debt, according to [redacted] South Yemen's state-controlled Aden News Agency. [redacted]

Outlook

Hasani will remain on top in Aden's endemic political infighting, in our view, and will further consolidate support for his pragmatic foreign policy. Despite his

nagging political problems, he has a more extensive power base and is a more skilled infighter than his rivals. In our judgment, his chief rival, Antar, is weakened by corruption and poor health. [redacted]

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Aden's gradually improving relationship with Saudi Arabia will be the acid test of Hasani's pragmatic foreign policy and his goal of economic development. Without substantial Saudi aid, efforts to develop Aden's flagging economy probably will fail because no other country is likely to provide as much aid as Riyadh. We judge the Saudis will continue to doubt Aden's moderation and hesitate to provide much assistance until they are convinced Hasani's pragmatism is not just a ploy to obtain aid. [redacted]

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Even with substantial foreign assistance, South Yemen's economic prospects are not encouraging, given the natural barriers to economic development. If Hasani's support within the party erodes because of a lack of economic progress, he probably would revert to a more radical line. We believe, however, that this is unlikely in the near term. South Yemen's economy is so weak that any progress will appear significant. We believe that South Yemenis, accustomed to poverty, have been pleased by the gradual improvement in living conditions provided by Hasani's economic policies and have relatively limited expectations. []

The greatest danger to Hasani's power would be a Soviet-supported intrigue. Hasani's rivals also could move against him and try to obtain Moscow's support later. Alternatively, if their interests were seriously threatened, the Soviets might more actively encourage Hasani's rivals by hinting at reduced support for Hasani or by indicating that they would not oppose his removal. []

We believe, however, that Moscow will not play a direct role in South Yemen's internal politics—as it did in Hasani's coup in 1980—so long as the USSR's interests are not directly threatened. If Soviet interests were seriously jeopardized, Moscow is in a good position through its ties to the South Yemeni military to exploit a coup, as we believe it did in 1978. As long as Hasani maintains good relations with the Soviets, however, we believe Moscow will tolerate South Yemen's improving ties with the West and moderate Arabs, if only because this eases pressure on Moscow to provide additional economic assistance. []

We are confident that Hasani will continue to want more independence from Moscow for economic reasons, but he will move cautiously to avoid antagonizing the Soviets. We expect Hasani will continue to purge Ismail supporters and to offset Soviet influence by broadening ties to the West. []

Hasani's foreign policy moves toward the West, however, will be constrained by Aden's political isolation and the country's internal power struggle. At present, there are only limited counterweights to Moscow's influence in South Yemen. The opportunists and Ismail supporters have enough political clout to force

Hasani to move cautiously on foreign policy. In addition, Hasani has no short-term alternative to Soviet military aid—and the substantial Soviet and East European presence that goes along with it. West European states are unlikely to extend large amounts of economic aid—let alone military aid—to South Yemen until Aden more firmly establishes a moderate record in foreign policy. []

Implications for the United States

We judge that Hasani's policy of improving relations with Arab moderates will generally advance US interests in the region. A reduced subversive threat from South Yemen would substantially benefit US friends in the area who have been threatened by South Yemeni-supported insurgencies. In addition, greater balance in South Yemen's foreign policy ultimately may lead to more independence from the USSR and eventually could weaken Moscow's foothold on the Arabian Peninsula. []

South Yemen shows little interest in improving relations with the United States. The United States has had no diplomatic representation in Aden since 1969, and discreet US overtures to South Yemen have produced no meaningful discussions between the two countries. Hasani was pleased by a message from the United States, carried by a Western diplomat in August 1983, according to the diplomat. Hasani, however, claimed that the timing was not right for a direct dialogue with the United States. The meeting with the Western diplomat took place just after the United States completed the Bright Star-83 exercises in Egypt, Somalia, and Oman, and Aden publicly criticized the presence of US forces in the region. Although Hasani held out the possibility of further indirect contact with the United States, the South Yemenis did not raise the issue during the diplomat's next visit to Aden. We believe Hasani is, for now, reluctant to risk political criticism from South Yemeni pro-Soviet hardliners and antagonizing the Soviet Union by reestablishing relations with the United States. []

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